

**To:** 'Sither, John (ENRD)'[John.Sither@usdoj.gov]; Elsen, Henry[Elsen.Henry@epa.gov]; Lensink, Andy[Lensink.Andy@epa.gov]; Freeman, James (ENRD)[James.Freeman2@usdoj.gov]  
**Cc:** 'Kelley, Jill (Kelly Services)'[Jill.Kelley@bp.com]; 'Richard Curley'[rcurley@curleylegal.com]  
**From:** Duffy, William  
**Sent:** Fri 3/29/2013 12:18:51 AM  
**Subject:** RE: US v. ARCO Settlement Proposal [Rule 408 Protected] - CONFIDENTIAL

John – thank you for your email. My goal is to speak with my clients early next week in order that we may continue the dialogue to reach an agreement. Please pass along any comments on the draft Consent Decree at your convenience next week.

Bill Duffy

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**From:** Sither, John (ENRD) [mailto:John.Sither@usdoj.gov]  
**Sent:** Thursday, March 28, 2013 3:37 PM  
**To:** Duffy, William  
**Cc:** Elsen, Henry; Lensink, Andy; Freeman, James (ENRD)  
**Subject:** US v. ARCO Settlement Proposal [Rule 408 Protected] - CONFIDENTIAL

Bill,

This email confirms the proposal I made over the phone today regarding settlement of EPA's Interim Past Costs claim. By early next week we plan to provide you with comments, which will likely be modest, on the CD redline that you provided us last week.

EPA is willing to compromise its claim by accepting payments by ARCO totaling \$22.1 million. The first payment after entry of the consent decree

would be for 75% of the total, and the second payment would be 25%, plus accrued interest at the Superfund rate. As I noted over the phone, this constitutes an 8% discount off EPA's Interim Costs Demand of \$24,008,166 and also represents approximately 30% of the \$6.55 million in Anaconda Site costs that ARCO has challenged.

As always, this settlement proposal is subject to the approval of high-level officials of EPA and DOJ.

Although it looks now that we'll miss our March 31 target date for finishing Interim Past Consent Decree negotiations, we look forward to hearing ARCO's prompt response to this proposal.

Regards,

John

*John W. Sither, Senior Attorney*

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